



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	
CRUSADER INSURANCE COMPANY,)	No. D 98- 36
)	
An Authorized Insurer)	CONSENT ORDER
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)	
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)	

FACTS AND STIPULATIONS

1. Crusader Insurance Company (hereinafter "Crusader") is an authorized insurer in this state.
2. Crusader filed a rate manual with the Office of the Insurance Commissioner (OIC). The OIC approved it, with an effective date of November 20, 1995. This rate manual did not specify a special form including theft rate load as a factor to be used in calculating the premium to be charged. However, Crusader used a special form including theft rate load of 0.23, without having first filed it with the OIC.
3. The Washington Insurance Examining Bureau (WIEB) conducted an audit of some of Crusader's property policies, including some that used this rate load. The WIEB was unable to determine the origin of the load. As a result, Crusader sent the OIC a new filing in April 1998, to clarify this with the OIC. Subsequently, Crusader was candid and cooperative with the OIC investigation of this matter.
4. Crusader stipulates to the facts as set forth above.

FINDINGS

1. RCW 48.19.040(1) requires that "Each insurer...shall, before using, file with the Commissioner every classifications manual, manual of rules and rates, rating plan, rating schedule, minimum rate, class rate, and rating rule, and every modification of any of the foregoing which it proposes." The Commissioner finds that Crusader, by its actions described under "Facts and Stipulations", violated this statute, in that by issuing policies using the special form including theft rate load, Crusader was using an unfiled rate which was "not in accordance with its filing then in effect." Crusader disagrees with that finding, but Crusader otherwise stipulates to this order and to the payment of a fine in the amount of \$5000. Crusader also acknowledges its responsibility to abide by the Insurance Commissioner's interpretation in future rate filings."
2. The Commissioner finds that RCW 48.05.140(1) authorizes the Commissioner to suspend or revoke Crusader's certificate of authority for this violation.

3. The Commissioner further finds that RCW 48.05.185 authorizes, in lieu of revocation or suspension of the insurer's certificate of authority, the imposition of a fine in an amount not less than two hundred fifty dollars and not more than ten thousand dollars for each violation of Title 48 RCW or any regulations promulgated thereunder.

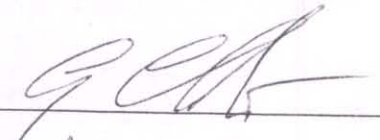
CONSENT TO ORDER

Crusader Insurance Company stipulates to the foregoing facts and findings by the Commissioner. Crusader also consents to a fine in the amount of \$5000. This sum is to be paid in full within thirty days after this order is entered at Olympia, Washington. If the fine is not timely paid in full, the Insurance Commissioner will revoke the certificate of authority of Crusader, and the fine will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

Crusader Insurance Company acknowledges its duty to comply fully with all the applicable laws and regulations of Washington state, including but not limited to those relating to the filing of rates.

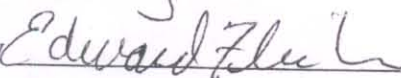
Signed this 14th day of July, 1998

CRUSADER INSURANCE COMPANY

By 
Title PRESIDENT

IT IS ORDERED that pursuant to RCW 48.05.140 and RCW 48.05.185, the Insurance Commissioner imposes a fine upon Crusader Insurance Company in the amount of \$5000. This is to be paid within thirty days of the entry of this order in Olympia, Washington. If the fine is not timely paid in full, subject to the insurer's right to demand a hearing pursuant to chapter 34.05 RCW and chapter 48.04 RCW, the Insurance Commissioner shall revoke the certificate of authority of Crusader Insurance Company, and the fine will be recoverable in a civil action brought on behalf of the Insurance Commissioner pursuant to RCW 48.05.185.

SIGNED AND ENTERED THIS 21st day of July, 1998.

By 

EDWARD FLEISHER, Deputy Insurance
Commissioner for Legal Affairs